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BROAD GOALS OF THE TOD

The original purpose of the TOD was to "aid in a more precise analysis of the allocation of resources to intelligence targets."

Three kinds of resource allocation decisions need to be provided for.

- ① First are decisions to obtain efficient mixes of intelligence systems to accomplish a given intelligence mission; second, are decisions about right mixes of intelligence forces and other forces, primarily military; and third, are decisions about the level of intelligence effort to be accomplished. All three of these need to be dealt with simultaneously since we cannot make rational statements about the costs of performing intelligence missions without reasonably well optimized intelligence and military forces, and we cannot decide how much effort to expend without some insight into the returns from such effort.

As discussed in Part II, the TOD falls short of what can be achieved by improved data structuring to support these three classes of decisions.

SPECIFIC CHANGES REQUIRED

To make the TOD much more useful, changes need to be made in the content and structuring of the data there.

- (1) We need to identify the intelligence systems in our programs. Such systems would include the equipment, people, data and facilities required to produce specified intelligence outputs. This identification would have to include specification of units of the system.

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(2) Costs of these intelligence systems must be estimated. The costs for each system need to be broken down two ways: first, by RDT&E, Investment and Expenses; and second, by collection, processing and production.

(3) Missions must then be defined and systems allocated to missions. These allocations need to be made two ways. First, systems should be allocated on the basis of their justification, and second, for the current and budget years, on the basis of their actual use. This allocation will result in force tables and, through the costs of the systems, in financial tables.

SCOPE CHANGES TO THE TOD

Part II pointed out that the TOD excludes tactical intelligence, some R&D resources, and Department of State's resources expended through the Bureau of Intelligence and Research. Part II also pointed out that only two years of costs were included in the first TOD and that these are inadequate to establish useful trends.

a. TOD TIME HORIZON

The time horizon of the TOD should be moved out by extending the financial and force tables into the future a reasonable period. The Five Year Defense Plan (FYDP) now has forces projected for eight years and costs for five. Since the intelligence programs are part of the FYDP, data should be available to extend intelligence program needs in a consistent manner. More important, we currently must make decisions which affect our programs and are affected by existing programs that far

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into the future. Consequently, an horizon at least five years ahead is important to these decisions.

b. INCLUSION OF ADDITIONAL DATA

The inclusion of programs now omitted from the TOD is more difficult to deal with. The State Department's effort is small but important and it contributes to national intelligence objectives. Its inclusion can be recommended easily.

Tactical intelligence programs and the R&D for intelligence in Program VI, mainly in support of tactical intelligence forces, are harder to judge. These programs interact primarily with the tactical forces they support and not so much with each other. For example, the missions for RF-4Cs, tactical reconnaissance aircraft, are intimately tied to the effectiveness of tactical air forces and not to the achievement of national intelligence objectives. Even though very large amounts of money are expended on tactical intelligence, the Committee believes such resources should not be included in the TOD. It may be desirable, however, to carry out a separate effort to analyze tactical intelligence needs in the Department of Defense. A DoD data call for tactical intelligence may consequently be required.

DATA CALL SIMPLIFICATIONS

Study of the data submitted in the present TOD shows that about 85% of intelligence resources are contained in about 20% of the reporting entities of the CIP, CCP, CIAP and ---. This suggests that these relatively few large reporting entities, 45 to be exact, should be

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analyzed in greatest detail and that the remaining small entities, about 185, should be analyzed in a more general fashion.

ANTICIPATED PROBLEMS

Several problems can be anticipated in implementing the changes out-lined above. Among the most important of these are the following:

(1) It will be relatively easy to identify collection systems, but much more difficult to associate with some of these their processing and especially their production subsystems.

(2) Many intelligence systems are multipurpose. This general purpose nature of these systems will result in their contributing to more than one mission; therefore, cost benefit analyses of such systems must use multiple criteria.

(3) Missions may be difficult to define so that quantitative criteria of their achievement can be developed.

RECOMMENDATIONS

These difficulties notwithstanding, we recommend that the following specific actions be taken to develop the TOD further:

1. A definition of an "intelligence system" be established.
2. A set of program elements be defined, each of which is such an intelligence system. The units of these intelligence systems must also be defined.
3. The costs for each of the intelligence systems should be estimated as a function of time for a period of five years. This requires that the numbers of units of each system be projected into the future

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about eight years. The cost estimates need to be further broken down by RDT&E, Investment and Expense and by collection, processing and production.

4. Missions for these intelligence forces be defined.

5. The intelligence forces be assigned to missions based first on the primary justification used for the intelligence system, and second, for the current and budget year, on the way the systems are actually being used. These assignments will result in mission oriented intelligence force tables.

6. By assigning intelligence system costs to the missions, mission oriented financial tables will result.

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